

Members

Rep. Rich McClain, Chairperson
Rep. Matt Whetstone
Rep. Ben GiaQuinta
Rep. Scott Reske
Sen. Thomas Wyss
Sen. Allen Paul
Sen. Allie Craycraft
Sen. Timothy Skinner
Lloyd Arnold
Joe Ryan
John Dahman
Ken Hodges



COMMISSION ON MILITARY AND VETERANS AFFAIRS

Legislative Services Agency
200 West Washington Street, Suite 301
Indianapolis, Indiana 46204-2789
Tel: (317) 233-0696 Fax: (317) 232-2554

LSA Staff:

Sarah Freeman, Attorney for the Commission
Sarah Brooks, Fiscal Analyst for the Commission

Authority: IC 2-5-20

MEETING MINUTES¹

Meeting Date: October 25, 2006
Meeting Time: 10:00 A.M.
Meeting Place: State House, 200 W. Washington
St., Room 130
Meeting City: Indianapolis, Indiana
Meeting Number: 2

Members Present: Rep. Rich McClain, Chairperson; Rep. Matt Whetstone; Rep. Ben GiaQuinta; Rep. Scott Reske; Sen. Allie Craycraft; Joe Ryan; John Dahman; Ken Hodges.

Members Absent: Sen. Thomas Wyss; Sen. Allen Paul; Sen. Timothy Skinner; Lloyd Arnold.

I. Call to Order and Introduction of Members

Representative Rich McClain, Chair of the Commission on Military and Veterans Affairs, convened the meeting at approximately 10:05 a.m. After the Commission members introduced themselves, Representative McClain announced that the meeting's agenda would include discussions of several preliminary drafts and adoption of the annual report.

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.in.gov/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

II. Preliminary Draft 3460

The Commission members reviewed Preliminary Draft (PD) 3460,² which provides various tax benefits to members of the National Guard and the armed forces of the United States (armed forces). PD 3460 also makes various changes to the military family relief fund. The Commission endorsed the concepts in PD 3460 by voice vote.

Colonel Joe Ryan, U.S. Army (Ret.), stated his opinion that all members of the military should be treated equally for tax purposes. Mr. Ron Martin, Chairman, Indiana Veterans Coalition, stated that increasing the military income tax deduction from \$2,000 to \$5,000 does not provide a great enough incentive for members of the military to reside in Indiana and proposed exempting all military income from taxation. Colonel Ryan, Mr. Martin, and Mr. Rick Hahn all noted that members of the military who choose to live in Indiana will spend money in Indiana and pay other state taxes, such as gasoline and sales taxes. Mr. Martin contrasted the current \$2,000 military income tax deduction with the tax incentives offered to businesses that relocate to Indiana.

II. Preliminary Draft 3464

Senator Allie Craycraft asked the Commission's consideration of PD 3464,³ which provides priority for job training for members of the National Guard and their spouses. The Commission adopted PD 3464 by voice vote. Mr. Steve Short asked if PD 3464 extends the priority for job training to members of the Indiana Guard Reserve, which it does not.

IV. Preliminary Draft 3513

The Commission discussed and received public testimony on PD 3513.⁴ As originally drafted, PD 3513 addressed several issues concerning veterans and veterans' affairs, including: (1) a \$150,000 special death benefit; (2) employment criteria for employees of the Indiana department of veterans' affairs (department) and local service officers; (3) powers of attorney for prosecution of veterans' benefits; (4) a \$500 activation bonus for certain military service; (5) a standard definition of "veteran" for purposes of state veterans' benefits; (6) tuition reimbursement for children of certain veterans; (7) high school diplomas for veterans of the Korean and Vietnam conflicts; (8) reimbursement of certain expenses of medal of honor awardees; and (9) legislative study of a veterans' affairs trust fund. It was noted that PD 3513 does not address the issue of the disclosure of military discharge records, which was discussed at the Commission's October 4, 2006, meeting.

Representative Scott Reske suggested two changes to PD 3513 concerning the \$150,000 special death benefit. First, Representative Reske suggested that the benefit apply to members of both the active and reserve components of the National Guard and the armed forces. Second, Representative Reske recommended that the benefit apply to members who die in the line of duty, like Indiana's special death benefit for public safety officers. Senator Craycraft supported both changes. Mr. David Havely, Adjutant and Quartermaster of the Indiana Department of the Veterans of Foreign Wars, and Mr. Don Myers, U.S. Marine Corps (Ret.), agreed that the benefit should apply to both active and reserve components. Mr. Havely stated that there is a federal death benefit of up to \$450,000 for

²See Exhibit A.

³See Exhibit B.

⁴See Exhibit C.

which members may pay premiums. Representative Matt Whetstone noted that the federal death benefit is available during both war and peace time. Senator Craycraft clarified that the \$150,000 special death benefit is in addition to any federal benefits.

Mr. Martin stated that the employees of the department and local service officers should be required to be honorably discharged rather than discharged under honorable conditions, as required under PD 3513. Colonel Ryan agreed with this change. Mr. Tom Applegate, Director of the Indiana Department of Veterans Affairs, who had suggested the new language at the Commission's October 4 meeting, also agreed. Mr. Dene Stratton of the Indiana State Committee for Employer Support of the Indiana National Guard and Reserve stated that, because most discharges are honorable, the pool of potential employees would not be severely limited. By voice vote, the Commission removed the new language concerning discharges under honorable conditions.

Mr. Martin informed the Commission that a former Indiana resident who was awarded the Congressional Medal of Honor now lives in another state. The Commission agreed by voice vote to delete the requirement in PD 3513 that a medal of honor awardee reside in Indiana to be eligible for reimbursement of expenses. As revised, PD 3513 provides that the department shall set guidelines for eligibility.

The Commission next discussed the sections of PD 3513 that specify the individuals eligible for benefits administered by the department. The Commission also reviewed PD 3466⁵ in this context. Mr. Applegate stated that this legislation would assist the department in its administration of benefits. Representative Reske and Mr. Apple stated their support for the part of PD 3466 that defined service during a period of war. By voice vote, the Commission agreed to insert the definition into PD 3513.

The Commission then discussed the \$500 payment to members of the National Guard or armed forces who are placed on involuntary activation after September 10, 2001, and serve for at least 150 days. Mr. Martin stated that "involuntary activation" is a misnomer in today's military and suggested that members who served in the Persian Gulf War also be eligible for the payment. Representative Whetstone noted that inclusion of these members would increase the fiscal impact of PD 3513. The Commission agreed by voice vote to limit eligibility to members who either served in the Persian Gulf War between August 2, 1990, and November 30, 1995, or after September 10, 2001. Colonel Ryan provided information concerning similar payments to veterans by other states.⁶ The Commission also added language providing that a member may receive only one \$500 payment.

Mr. Dick Loney provided the Commission with written testimony⁷ in support of extending the high school diploma program for eligible veterans to veterans of the Korean and Vietnam conflicts. Mr. Myers and Mr. Carl Edwards, both veterans of the Korean conflict, expressed their strong support for this change.

Mr. Robert Book, U.S. Marine Corps (Ret.), Military Veterans Coalition of Indiana, expressed his support for creating a veterans' affairs trust fund.

Upon a motion and a second, the Commission adopted the revised PD 3513 by voice vote.

⁵See Exhibit D.

⁶See Exhibit E.

⁷See Exhibit F.

V. Adoption of Annual Report

The Commission reviewed the draft annual report. It was properly moved and seconded that the draft annual report, after being updated for the October 25 meeting, be approved. With seven members present, the motion passed with a voice vote and with no members voting against.

VI. Public Comments and Other Business

Senator Craycraft wished the Commission continued good luck. Colonel Ryan thanked the Commission for its good work. Mr. John Dahman commended the work of the Commission, especially charter members Senator Craycraft and Representative Ben GiaQuinta.

VII. Adjournment

Representative McClain adjourned the meeting at approximately 11:50 a.m.